

Warm Up

PLEASE GET YOUR FOLDER
AND TAKE A SEAT!!!!

PLEASE QUIETLY AND INDEPENDENTLY (THAT MEANS
ALONE) ANSWER THE FOLLOWING WARM UP QUESTION
ON A PIECE OF PAPER

WARM UP QUESTION 6:

WITHOUT LOOKING AT ANY NOTES!!!

What do you think Supply and Demand means?

How do supply and demand relate to price of an
item?

SUPPLY - The amount of a resource available

DEMAND - The amount of a resource that people want.

So we could have a HUGE supply of something, but no demand.

Or, a huge DEMAND for something but not enough for everyone.

ARTICLE and QUESTIONS

DIRECTIONS - Please **READ** the article on supply and demand **ON YOUR OWN**.

When you are done reading you may work with **ONE** responsible partner to answer the questions - you will have to write the answers on your own paper!!!

You should **ONLY** be talking with the person you have chosen to work with - **WE ARE NOT** working in groups of **THREE**.

You may work alone or with **ONE** other person.

Review the Questions

1. What is supply?
2. What is demand?
3. What happens to price when demand for an item goes up?
4. What happens to price when the demand for an item goes down?
5. Why does this happen?
6. How can you track supply and demand?
7. Why can an item with LOW DEMAND sometimes have a LOWER price?
8. Why can an item with LOW DEMAND sometimes have a HIGHER price?
9. What is a benefit of studying supply and demand?
10. USE YOUR BRAIN FOR THIS QUESTION – IT IS NOT IN THE ARTICLE!!!
 - a. How does supply and demand RELATE to scarcity? (think of the chocolate example)

Lemonade Stand

If I opened a Lemonade Stand in February, do you think I would have a lot of DEMAND for ice cold lemonade?

Why or why not?

When would the greatest demand be for lemonade?

Why?

Would you be able to run a successful lemonade stand if you had only two lemons and one packet of sugar?

Why or why not?

What resources do you need a supply of to run a lemonade stand?

Cups
A stand
Ice

Sugar
water Pitcher
Advertisements
Lemons
a crusher

How does PRICE relate to SUPPLY and DEMAND?

If Jyair is selling 8oz of lemonade for .75 cents a cup, but across the street Jon is selling 8oz of lemonade for .50 cents a cup . . . who is going to have a greater demand? Why?

If Jon runs out of lemons, and now only Jyair stand is around - what will people do if they are REALLY thirsty?

What if Jyair moves his stand to a new location, right outside of a track meet. If there is no other competition and there are a lot of thirsty people - what can Jyair do to the price of his lemonade?

How does this example relate to SCARCITY?

How does price relate to scarcity, supply and demand?

Lemonade Stand Activity



<http://www.coolmath-games.com/lemonade/>